

**BENJAMIN O. SCOTT
CLERK OF THE CIRCUIT COURT
FOR THE
CITY OF PETERSBURG**

**REPORT ON AUDIT
FOR THE PERIOD
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009**



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Commonwealth of Virginia

Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

June 2, 2010

The Honorable Benjamin O. Scott
Clerk of the Circuit Court
City of Petersburg

City Council
City of Petersburg

Audit Period: January 1, 2009 through December 31, 2009
Court System: City of Petersburg

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System and for the period noted above. Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies.

Management's Responsibility

Court management has responsibility for establishing and maintaining internal controls and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Deficiencies in internal controls could possibly lead to the loss of revenues or assets, or otherwise compromise fiscal accountability.

We noted matters involving internal control and its operation necessary to bring to management's attention. These matters are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these matters provided by the Clerk are included as an enclosure to this report.

The Clerk has taken adequate corrective action with respect to the internal control finding reported in the prior year that is not repeated in this letter.

We discussed these comments with the Clerk and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:clj

cc: The Honorable James F. D'Alton, Jr., Chief Judge
B. David Canada, City Manager
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia
Director, Admin and Public Records
Department of Accounts

COMMENTS TO MANAGEMENT

We noted the following matter involving internal control and its operation that has led or could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

Properly Record and Collect Costs

The Clerk does not properly record and collect costs as required by Sections 19.2-163, 19.2-340, and 17.1-275 of the Code of Virginia. We tested 19 cases and found errors in six of the cases.

- In four of the cases, the Commonwealth paid for public defenders but the Clerk failed to request reimbursement from the locality, resulting in a loss to the Commonwealth totaling \$758.
- In two cases involving appeals from the district court, the Clerk did not bill defendants for the amount district court certified for court-appointed attorneys. These errors resulted in a potential loss of revenue to the locality totaling \$210.
- The Clerk improperly entered state account codes to record local fees resulting in a potential loss to the locality of \$180.
- A defendant was billed a jail admission fee, although he received a suspended sentence, resulting in a potential overpayment to the locality of \$25.
- A defendant paid more than the maximum amount allowed for a court-appointed attorney, resulting in an overpayment to the locality of \$22.
- A defendant convicted of a traffic infraction paid for the fixed misdemeanor fee in addition to the fixed traffic infraction fee, resulting in an overpayment to the Commonwealth of \$67.

The Clerk must research all similar cases and make the appropriate corrections. The Clerk should also provide appropriate training and staff oversight to ensure staff are properly entering, charging, billing, and collecting cases.

We noted the following matter involving internal control and its operation that has led or could lead to noncompliance with laws and regulations.

Participate in the Debt Set Off Program

The Clerk's Office has no one certified to respond to Department of Taxation Debt Set-Off matches and claim potential funds since no one has completed the required training to access the automated system. Section 58.1-520 of the Code of Virginia directs that all state agencies and institutions shall participate in the debt set-off collection program to collect delinquent accounts such as court costs. In 2006, both the Supreme Court of Virginia and the Department of Taxation developed processes for accessing the Integrated Revenue Management System. During 2007, the Chief Deputy Clerk began the registration process but no staff ever completed the training.

The Clerk should take immediate action to have staff complete the training program that will allow them to access the system, respond to email notifications, and claim funds. Lack of participation during tax seasons resulted in lost revenues to both the local government and the Commonwealth.

Hon. James F. D'Alton, Jr., Chief Judge
Petersburg, Virginia

Hon. Pamela S. Baskervill
Petersburg, Virginia

Shalva J. Braxton, Chief Deputy Clerk
Kathleen Porwoll, Deputy Clerk II
Erica Thorne, Deputy Clerk I
Wanda Gibbs, Deputy Clerk I
Ernestine James-Carrier, Deputy Clerk



Tanesha Flowers, Deputy Clerk I
Rhonda Gregory, Deputy Clerk II
Shirley Woodley, Deputy Clerk II
Edward Jones, Circuit Court Liaison
Jennifer Johnson, Deputy Clerk

Office of
Benjamin O. Scott
Clerk of the
Circuit Court of the City of Petersburg

CORRECTIVE ACTION PLAN
RESPONSE TO MANAGEMENT POINTS
January 1, 2009 through December 31, 2009 Audit

Properly Record and Collect Costs

The assessment of fines and costs has historically been a challenge. Frequent changes in legislation, technology limitations, budget constraints, and the necessity for excessive human involvement in the case/account update process, are major contributors to this challenge. In order to address this internal control issue, we will review misdemeanor cases, in more detail, without sacrificing resources allocated to felony cases. In addition, we will continue to encourage the Commonwealth to expand technology interface enhancements between the circuit and district courts. Improving these interfaces will assist the circuit court clerks with a timelier, thorough understanding of what took place in the lower courts. The circuit court clerks will be in a better position to properly assess and collect fines and costs that are initiated by a lower court process.

Participate in the Debt Setoff Program

In accordance with Section 58.1-520 of the Code of Virginia, the Petersburg Circuit Court Clerk's Office intends to complete the necessary training for participation in this program. The estimated completion date is December 31, 2010.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "B.O. Scott", with a stylized flourish at the end.

Benjamin O. Scott, Sr., CPA
Clerk

May 13, 2010